

# SOUTHWEST POWER POOL

UTAH STATE LEGISLATURE  
PUBLIC UTILITIES, ENERGY AND  
TECHNOLOGY INTERIM COMMITTEE

JUNE 15, 2022

# TODAY'S PRESENTATION

SPP INTRODUCTION

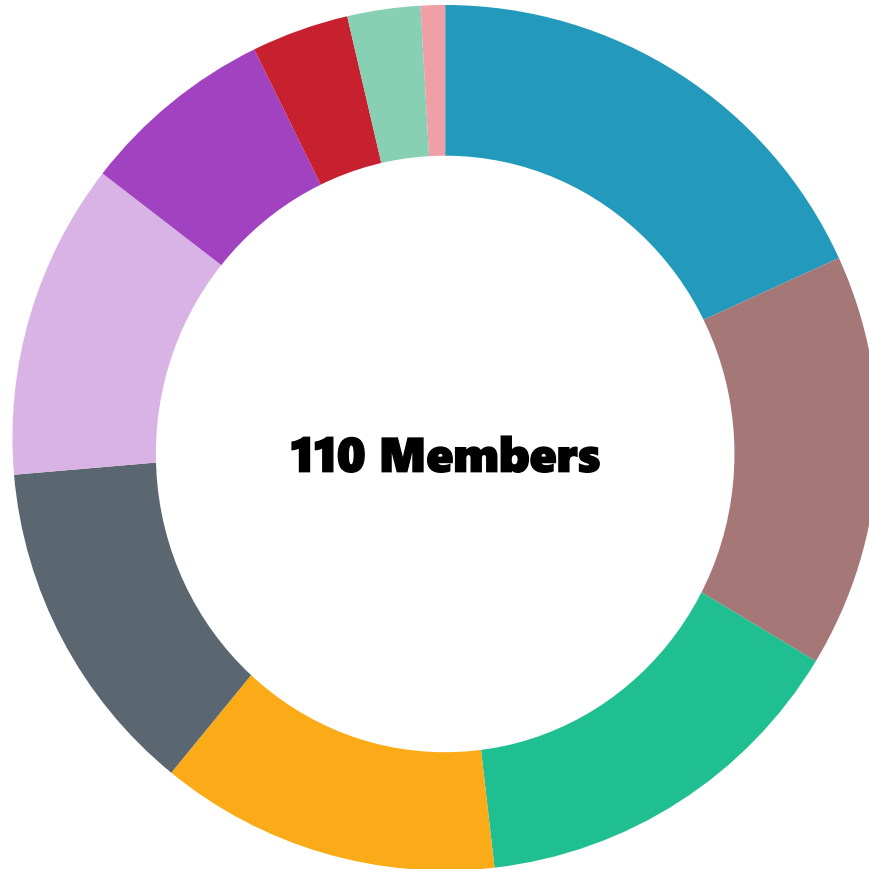
WESTERN ENERGY SERVICES UPDATE

MARKETS+ INITIATIVE

# NORTH AMERICAN INDEPENDENT SYSTEM OPERATORS (ISO) AND REGIONAL TRANSMISSION ORGANIZATIONS (RTO)



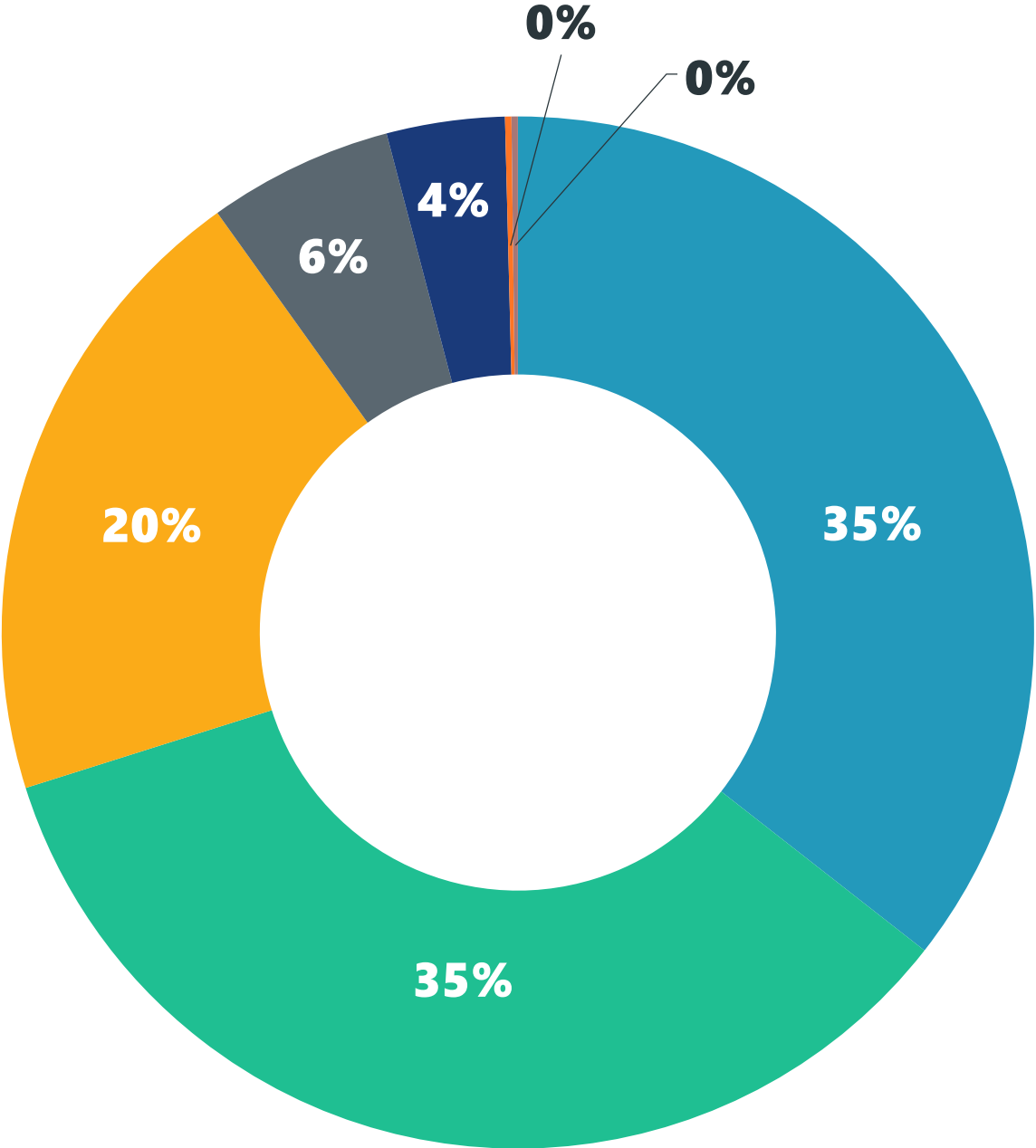
# SPP'S 110 MEMBERS: INDEPENDENCE THROUGH DIVERSITY



- 20 Generation and Transmission Cooperatives
- 17 Independent Power Producers
- 16 Investor-Owned Utilities
- 14 Municipal Systems
- 14 Independent Transmission Companies
- 13 Power Marketers
- 8 State Agencies
- 4 Large Retail Customers
- 3 Alternative Power/Public Interest
- 1 Federal Agency

April 2022

**2021 ENERGY  
PRODUCTION  
BY FUEL TYPE:  
269,656 GWH  
TOTAL**



- Coal (35.6%)
- Wind (34.6%)
- Natural Gas (20%)
- Nuclear (5.8%)
- Hydro (3.7%)
- Solar (0.2%)
- Other (0.2%)

# WESTERN ENERGY SERVICES UPDATE

RELIABILITY COORDINATOR

WESTERN ENERGY IMBALANCE SERVICE (WEIS)

SPP RTO WEST EXPANSION

WESTERN POWER POOL WRAP



Southwest Power Pool  
**WESTERN  
ENERGY  
SERVICES**

## RTO West

- 7 organizations joining RTO in 2024; expected \$49M annual savings for new & existing members

## Western Energy Imbalance Service (WEIS) Market

- Launched Feb. 2021; 3 new members joining in 2023 bringing load to 13.5GW

## Markets+

- New real-time/day-ahead market in development with western parties (will replace WEIS)

## Western Reliability Coordination Service

- Maintaining reliability for 13 western transmission operators

## Western Interconnection Unscheduled Flow Mitigation Plan

- Helping western organizations manage grid congestion

## Western Resource Adequacy Program Operator

- Partnering with Western Power Pool to ensure resource adequacy

Achieve  
clean  
energy  
goals

Reinforce  
system  
reliability

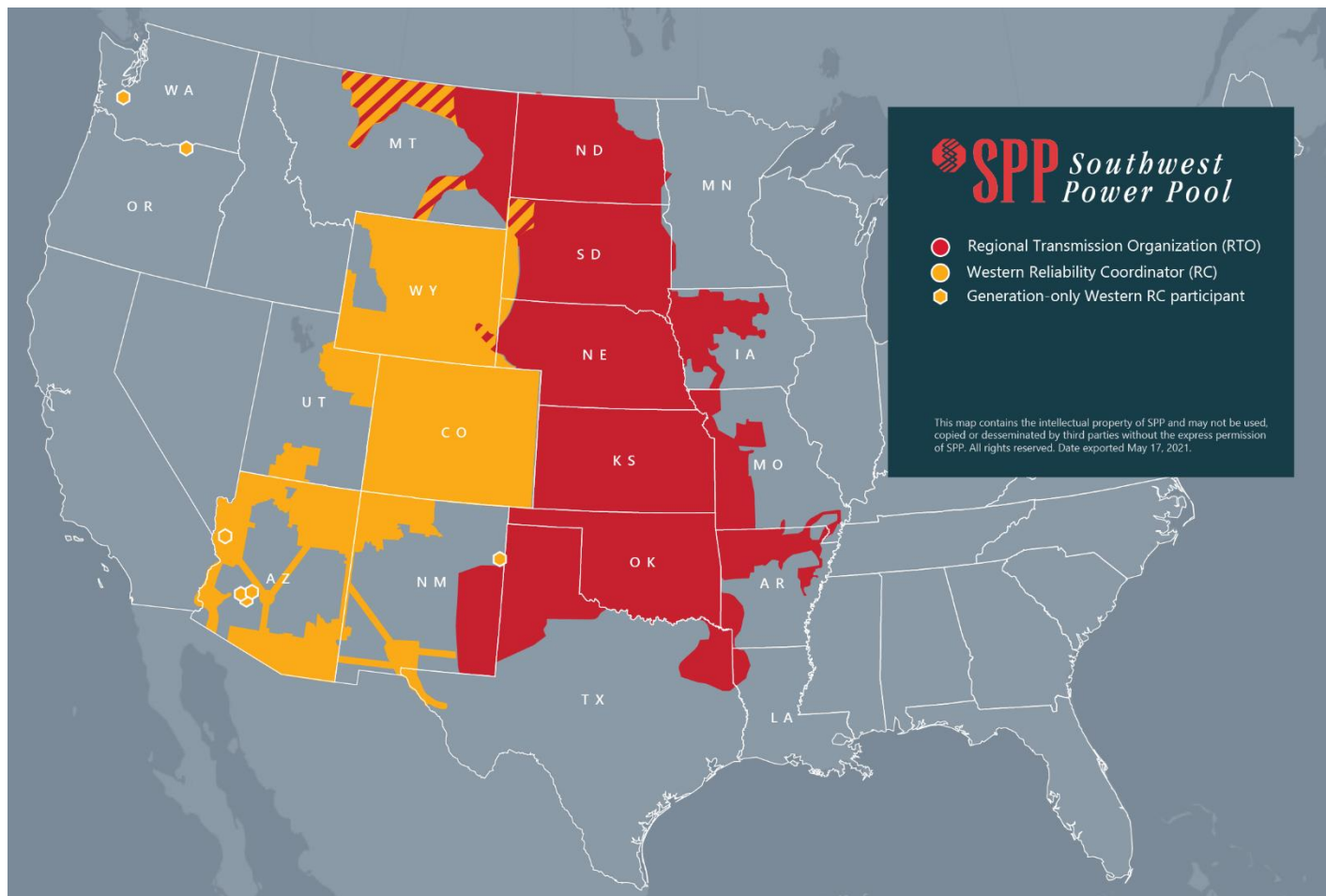
Provide  
economic  
benefits

New  
opportunities  
to trade low-  
cost power

Maintain  
resource  
adequacy

# WESTERN RELIABILITY COORDINATION SERVICE

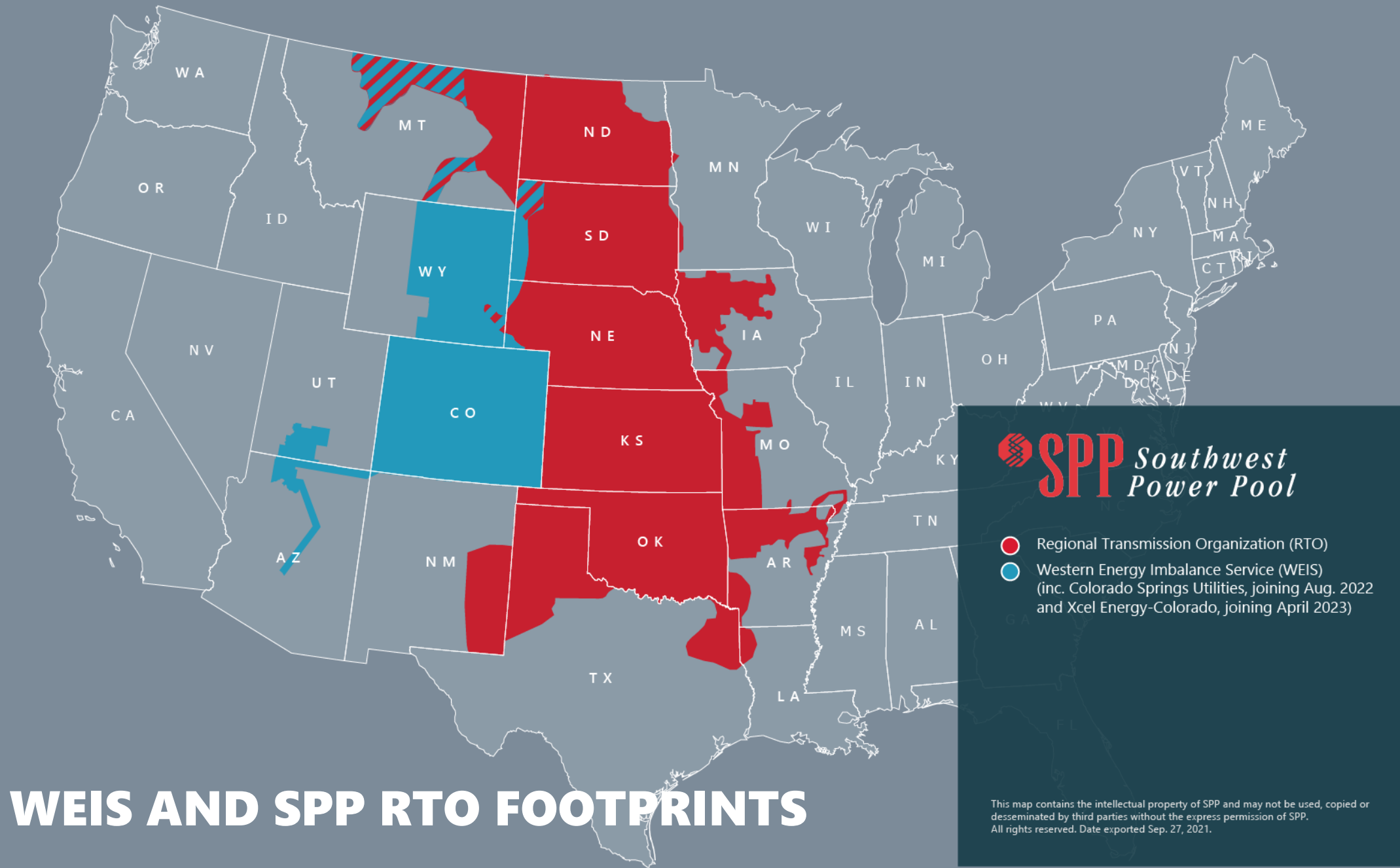
SPP-provided RC service launched December 2019



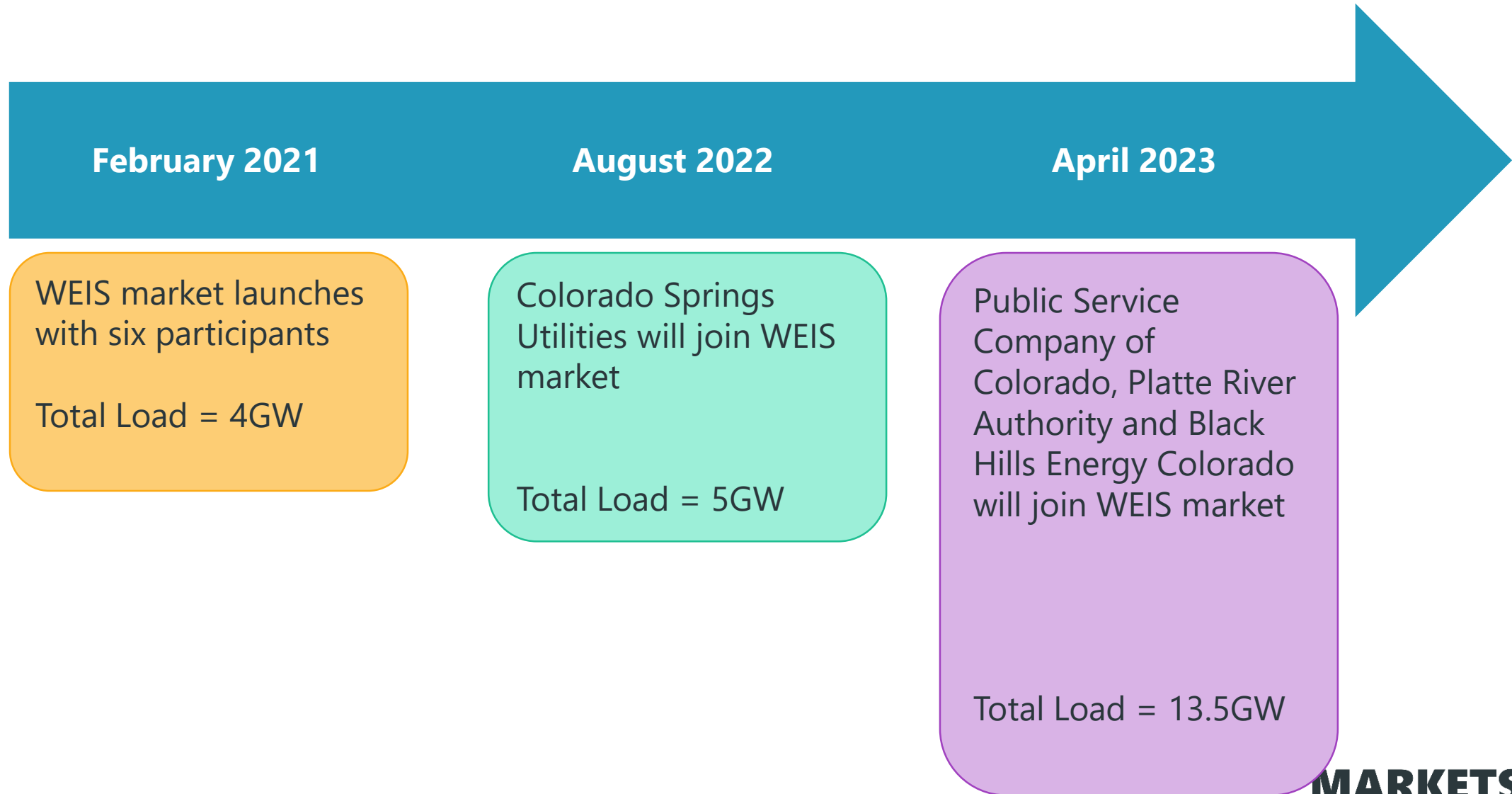
## CUSTOMERS

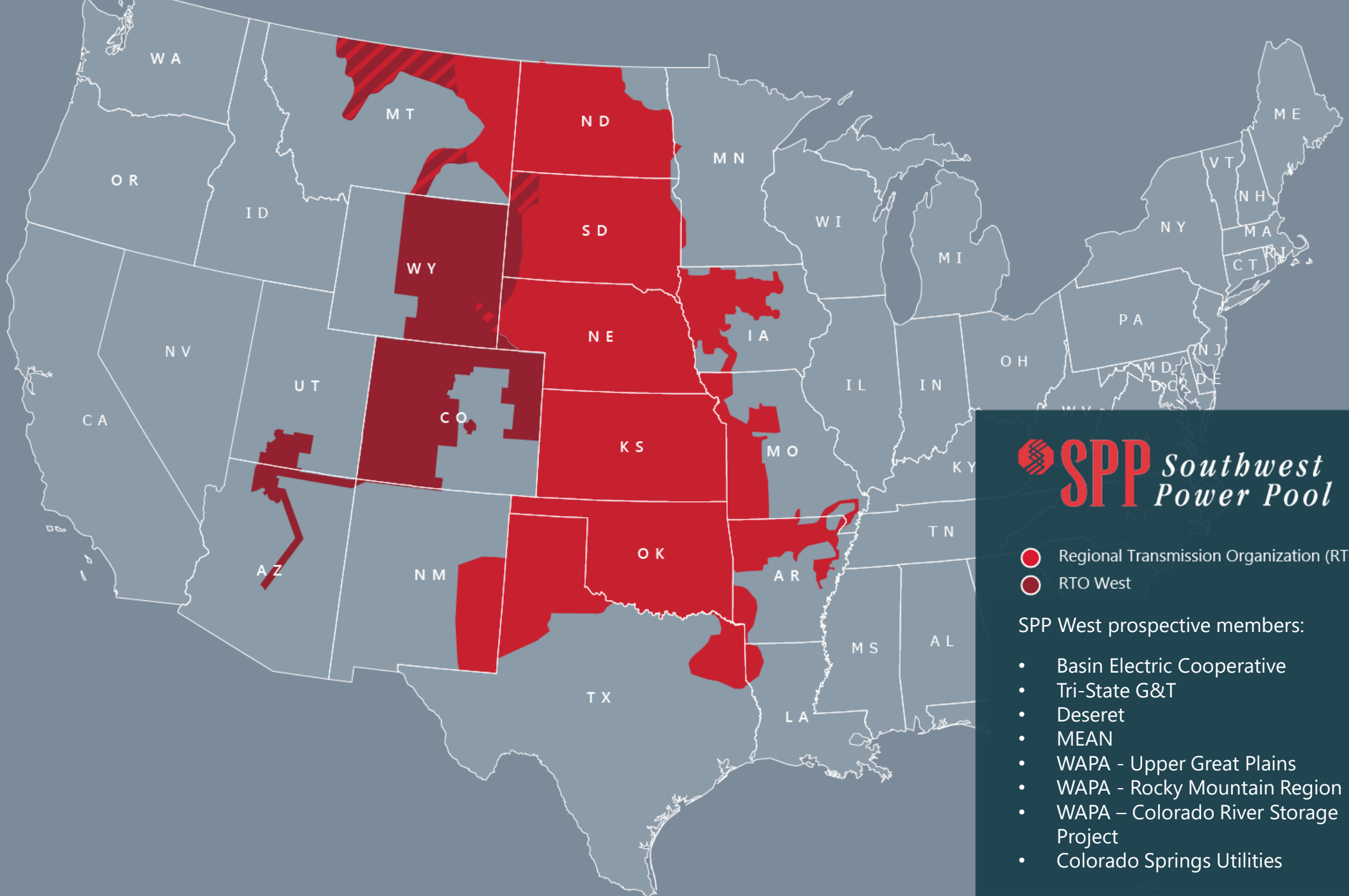
- Arizona Electric Power Cooperative, Inc.
- Black Hills Energy's three electric utilities: Black Hills Power, Inc., Cheyenne Light, Fuel and Power Company, and Black Hills Colorado Electric, Inc.
- City of Farmington, NM
- Colorado Springs Utilities
- El Paso Electric Company
- Intermountain Rural Electric Association
- Platte River Power Authority
- Public Service Company of Colorado (Xcel Energy)
- Tri-State Generation and Transmission Association
- Tucson Electric Power
- Western Area Power Administration (WAPA) Desert Southwest Region, WAPA Rocky Mountain Region, and WAPA Upper Great Plains – West
- GridForce Energy Management



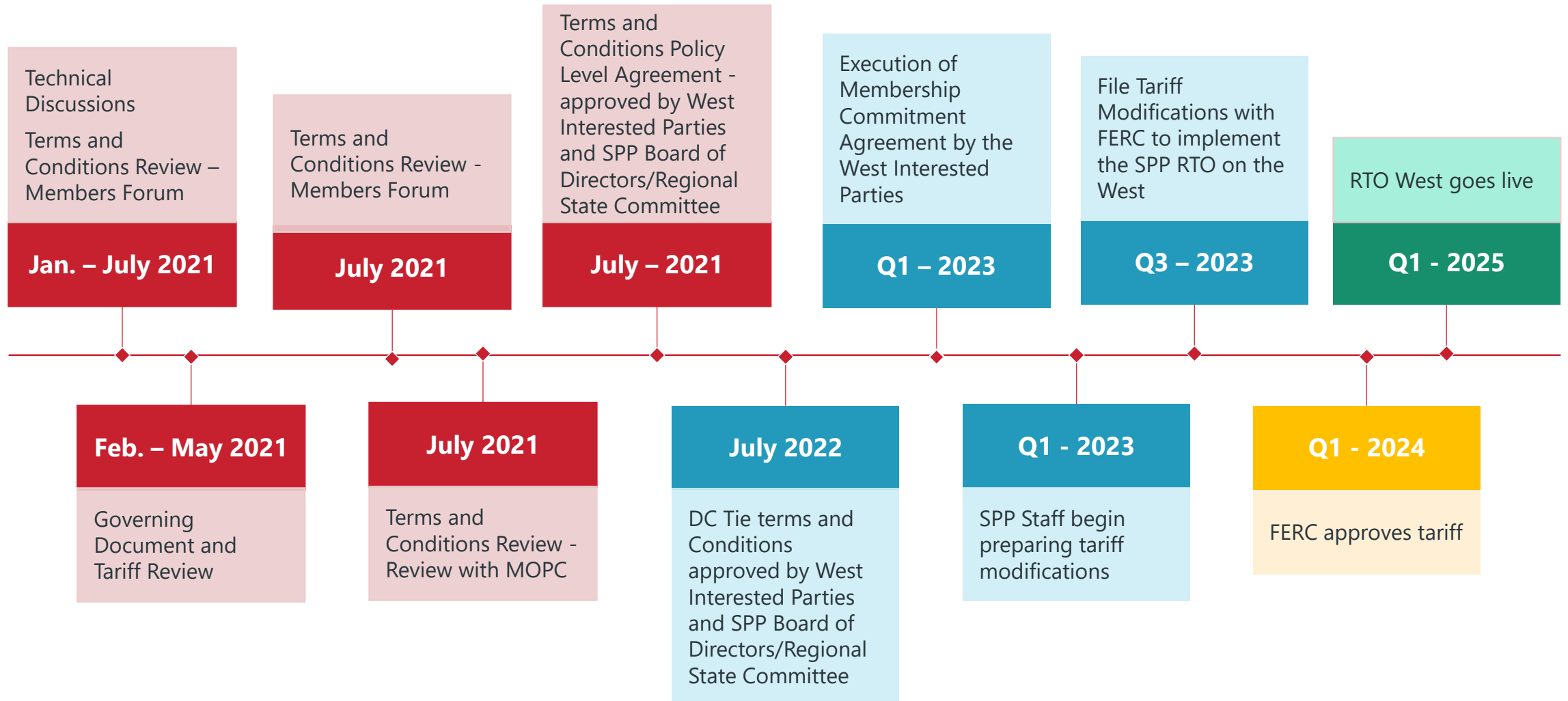


# WEIS MARKET GROWTH



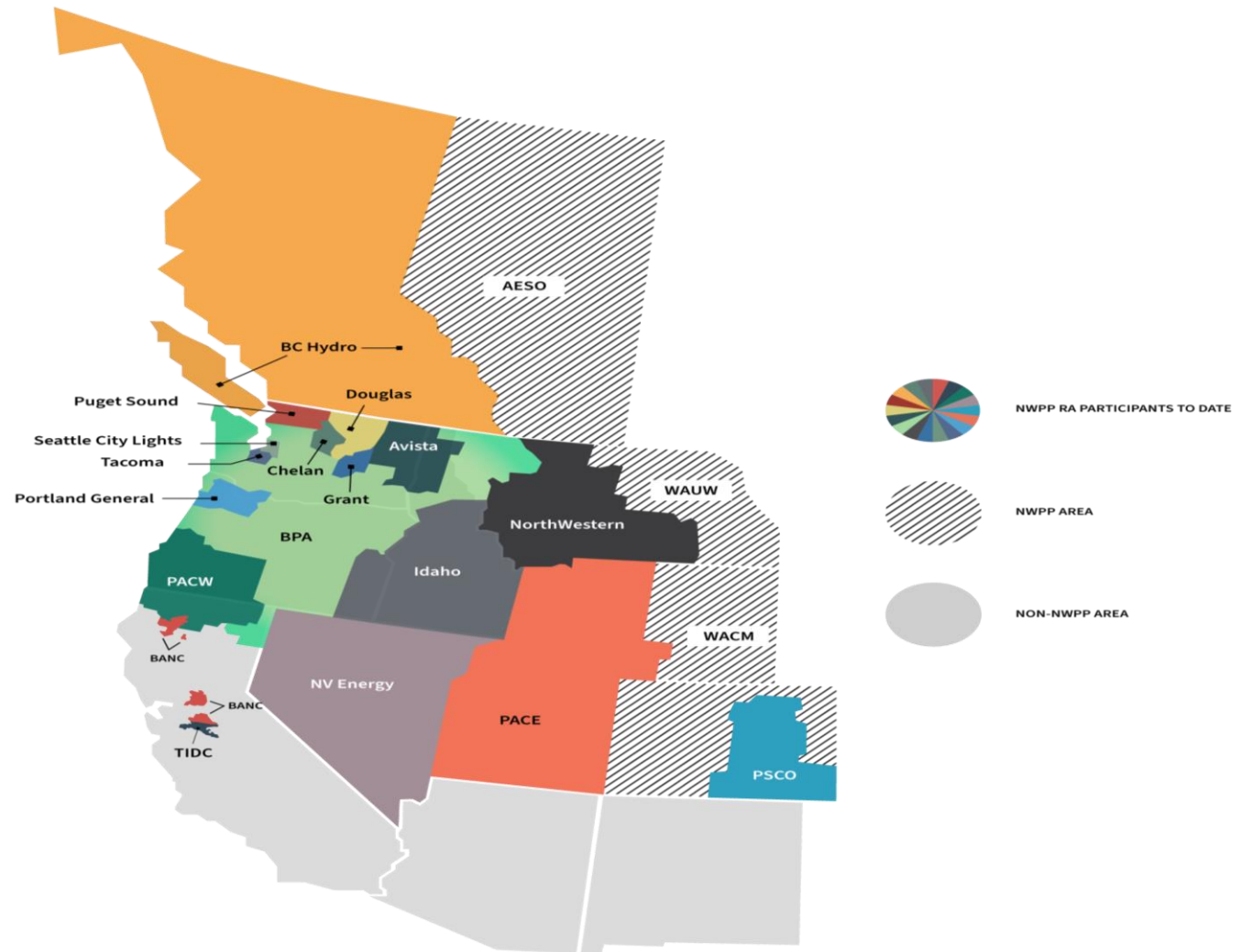


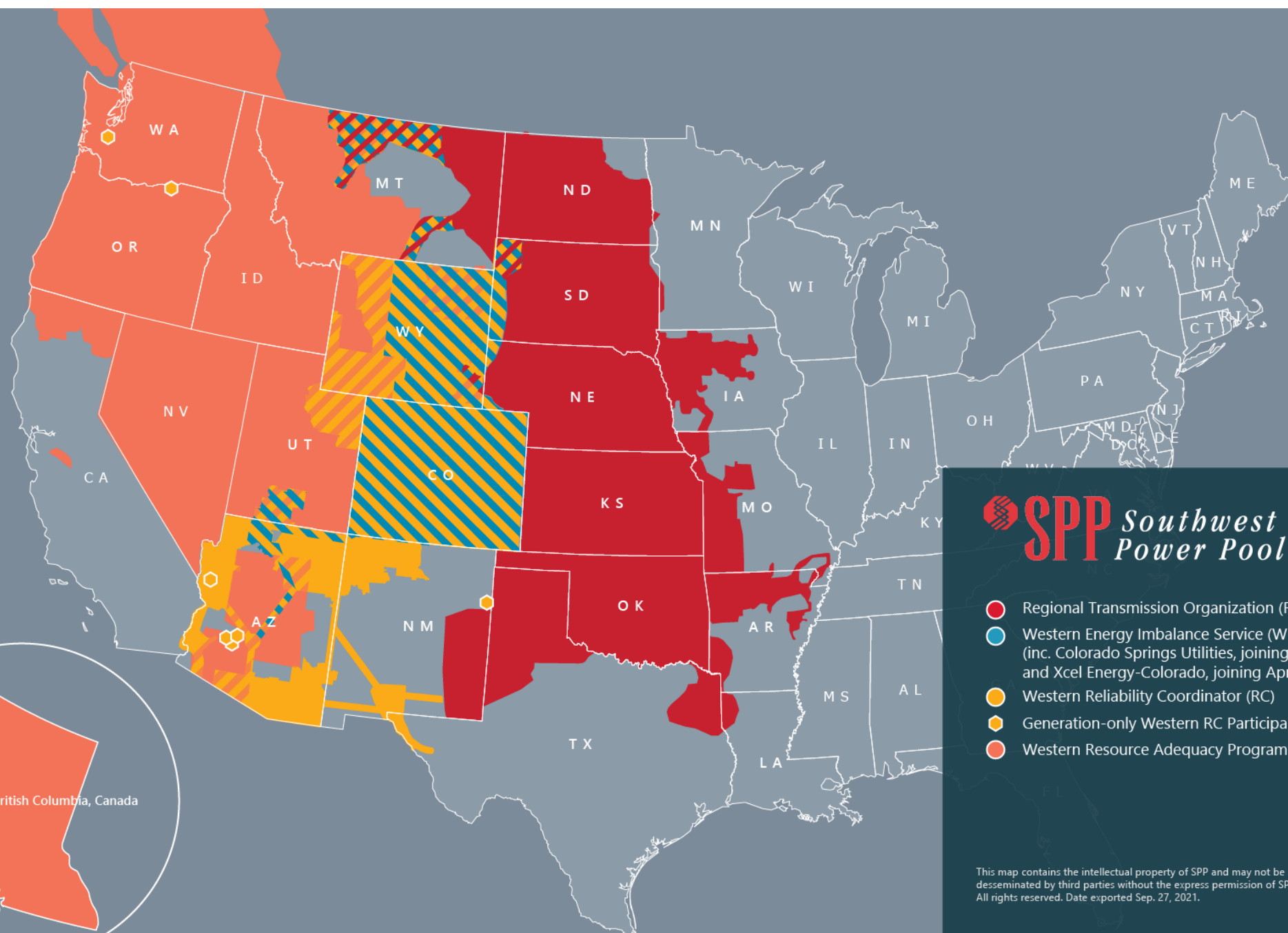
# SPP RTO WEST EXPANSION TIMELINE



# WHAT IS WRAP?

- Western Resource Adequacy Program (WRAP)
- Western Power Pool (WPP) Corporation helps member companies achieve benefits of coordinated operations
- WRAP developed by WPP and SPP chosen to serve as Program Operator for WRAP
- WRAP currently under a phased in development process
- Two key horizons: Operational and Forward showing





# SPP Southwest Power Pool

- Regional Transmission Organization (RTO)
- Western Energy Imbalance Service (WEIS) (inc. Colorado Springs Utilities, joining Aug. 2022 and Xcel Energy-Colorado, joining April 2023)
- Western Reliability Coordinator (RC)
- Generation-only Western RC Participant
- Western Resource Adequacy Program

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# MARKETS +



*Working together to responsibly and economically  
keep the lights on today and in the future.*



SouthwestPowerPool



SPPorg



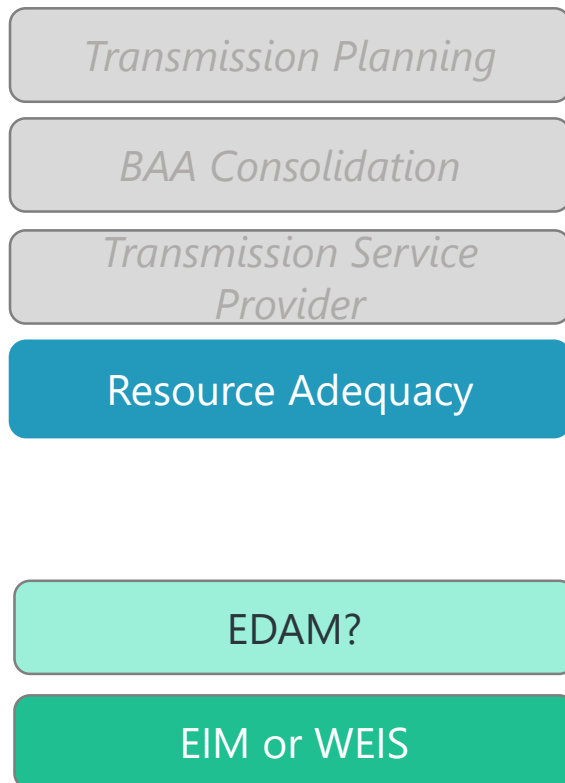
southwest-power-pool



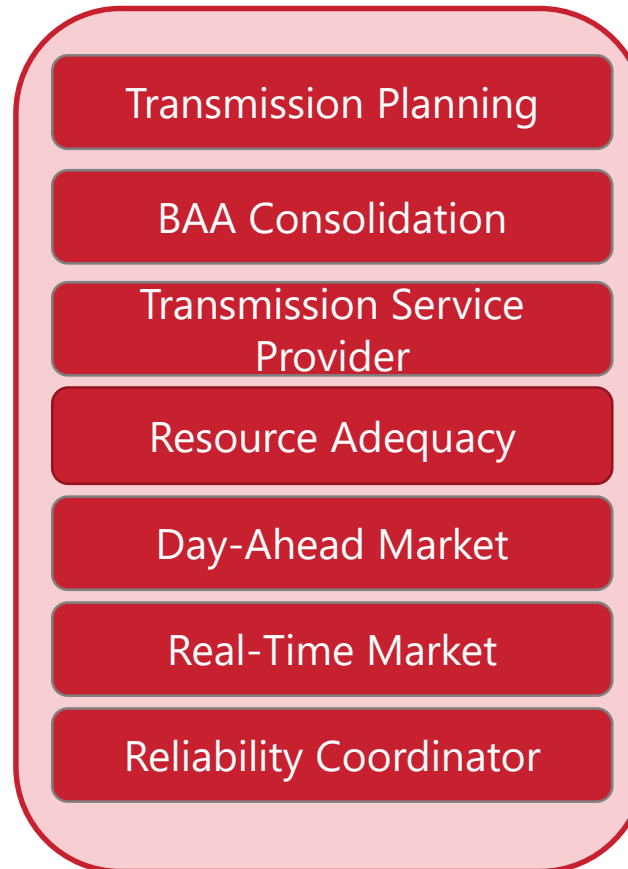
Southwest Power Pool  
**WESTERN  
ENERGY  
SERVICES**

# OPTIONS FOR EVOLVING WESTERN MARKETS

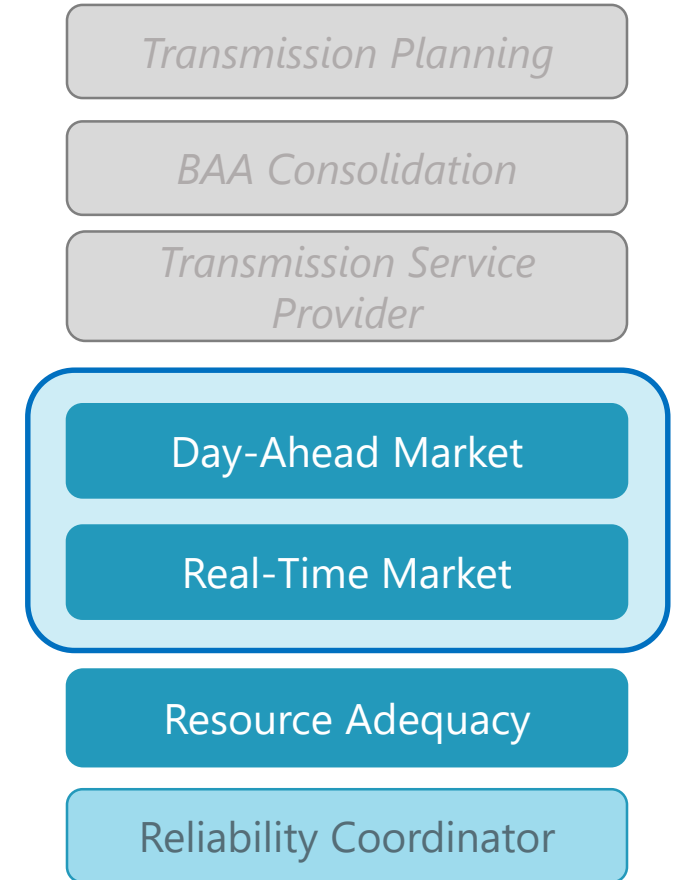
## Current path?



## RTO?



## SPP's option: **SPP MARKETS+**





# DESIGN ISSUES TO BE EXPLORED: **MARKETS+**

Governance

Market monitoring  
and oversight

Efficient “peer-to-  
peer” seams  
management with  
external markets

Transmission  
availability (and  
protection from  
cost shifts)

Congestion rent  
allocation

Market products  
(energy, capacity,  
flexible reserves)

Accurate price  
formation

GHG treatment

# 2022 MARKETS+ GOAL AND SCHEDULE

- Draft Service Offering – End of September
  - Written Comment Period
- Final Service Offering – Mid-November
  - Will Not Include: Market Protocols and Tariff Language
- Commitment to Investigate – Q1 2023
  - Financially Binding to Scope Implementation
- Stakeholder Process to Develop Market Protocols and Tariff Language
- Participant Agreement Execution – Fund Implementation

# QUESTIONS

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